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Department of Defense
Office of the Assistant to the Secretary of Defense for Privacy, Civil Liberties, and Transparency, Regulatory Directorate
4800 Mark Center Drive, Alexandria, VA 22350-1700.

Re: Notice of Intent to Prepare a Draft Environmental Impact Statement for the Line 5 Tunnel Project

I. INTRODUCTION

The American Fuel & Petrochemical Manufacturers ("AFPM") welcomes the opportunity to comment on the Department of the Army and the U.S. Army Corps of Engineers ("Corps") "Notice of Intent to Prepare a Draft Environmental Impact Statement for the Line 5 Tunnel Project" (the "Notice").[1] The Corps' Detroit District is reviewing an application pursuant to section 10 of the Rivers and Harbors Act of 1899 and section 404 of the Clean Water Act for a Department of the Army permit by Enbridge Energy to construct a tunnel (the "Line 5 Tunnel Project") to replace the existing pipeline (the "Line 5 Pipeline"). The Line 5 Tunnel Project would house a replacement segment of Enbridge's Line 5 pipeline crossing the Straits of Mackinac in Lake Michigan. In the Notice the Corps has announced that it will prepare an Environmental Impact Statement ("EIS") in compliance with the National Environmental Policy Act ("NEPA") to render a final decision on the Line 5 Tunnel Project permit application and seeks stakeholder input.

The current Enbridge Line 5 Pipeline is a 645-mile, 30-inch diameter pipeline that runs through Michigan's Upper and Lower Peninsulas. The crude transported by the Line 5 Pipeline feeds refineries in the Upper Midwest and Eastern Canada which provide the region's gasoline, diesel, and jet fuels. The Line 5 Pipeline is a vital artery for transporting crude oil and natural gas liquids ("NGLs") to destinations in the U.S. and Canada, historically supplying over 40 percent of the crude to regional refineries in Michigan, Ohio, Pennsylvania, Ontario, and Quebec (approximately 540,000 barrels per day). Line 5 also supplies 65% of propane demand in Michigan's Upper Peninsula, and 55% of Michigan's statewide propane needs.[2]

While the current Line 5 Pipeline has operated safely and reliably in the Straits for more than 65 years, the Line 5 Tunnel Project will further reduce the chance of a pipeline incident in the Straits.[3] The existing Line 5 Pipeline will continue to operate and meet the region's fuel and

[1] *See* 87 Fed. Reg. 50074 "Notice of Intent to Prepare a Draft Environmental Impact Statement for the Line 5 Tunnel Project", Docket No. DOD-2022-HA-0100, August 15, 2022.
[2] *See* "Line 5 and the Great Lakes Tunnel: Fact vs. fiction" https://www.enbridge.com/projects-and-infrastructure/public-awareness/line-5-fact-vs-fiction
[3] *See* "The Great Lakes Tunnel Project" https://www.enbridge.com/projects-and-infrastructure/public-awareness/line-5-michigan/great-lakes-tunnel-project#:~:text=While%20Line%205%20has%20operated,Tunnel%20is%20a%20massive%20undertaking.

energy needs until the Line 5 Tunnel Project is completed. Upon completion, the current Line 5 pipeline will be decommissioned and replaced with the Line 5 Tunnel Project.

II. AFPM'S INTEREST IN THE LINE 5 TUNNEL PROJECT

AFPM is the leading trade association representing the makers of the fuels that keep us moving, manufacturers of the petrochemicals that are the essential building blocks for modern life, and the midstream companies that get our feedstocks and products where they need to go. We make the products that make life better, safer, and more sustainable. AFPM members strengthen economic and national security while supporting more than 3 million jobs nationwide.

To produce these essential goods, AFPM members depend on all modes of transportation to move their products to and from refineries and petrochemical facilities. Pipelines provide a safe, reliable, efficient, and cost-effective way to move bulk liquids, particularly over long distances, and are the primary mode for transporting feedstocks to refiners and petrochemical facilities and refined products from those same facilities to market. AFPM includes member companies that own and operate their own pipelines as well as member companies that rely on pipelines to ship feedstocks and their products.

AFPM members operate facilities throughout the country and in the regions that are currently supplied by the Line 5 Pipeline. A Line 5 Pipeline shutdown would be devastating for the U.S. refining industry and consumers. A shutdown of the Line 5 Pipeline would create a regional shortfall of transportation fuels and impact the entire U.S. refining industry. Such a shutdown would also impact the prices consumers pay for fuels. AFPM has an interest in the continued operation of the Line 5 Pipeline until the Line 5 Tunnel Project is completed, to ensure an uninterrupted supply of fuels to the region.

III. THE ECONOMIC IMPORTANCE OF THE LINE 5 SYSTEM

The economic importance of the continued operation of Line 5 Pipeline cannot be overstated and its economic and energy security significance must be considered by the Corps. If the Line 5 Pipeline were shut down and an alternative pipeline is not constructed, refineries in Michigan, Ohio, Pennsylvania, Ontario, and Quebec might be at risk of shutdown, leading to a daily supply shortage of 14.7 million gallons of gas, diesel and jet fuel (about 45% of current supply).[4] Such a shortage would drastically impact regional fuel supply and prices and could have nationwide ramifications.

Several studies have researched the environmental impacts of the Line 5 Tunnel Project and have attempted to quantify the impact of a shutdown of the Line 5 Pipeline without a pipeline replacement. Notably, experts led by the Michigan Technological University recently evaluated the economic and environmental impacts of a "worst case scenario" spill or release

[4] In addition to impacting fuel supplies a shutdown of Line 5 would also lead to a propane shortage of 756,000 U.S. gallons a day. *See* "The impact of a Line 5 shutdown" FS_Without_Line5_econ_impact.pdf (enbridge.com).

from the Line 5 Pipeline. This study provides valuable information the Corps should consider, and key elements of that study are highlighted below. Michigan Technological University's independent risk analysis of Line 5 Pipeline also highlights the fuel supply challenges facing Michigan – and the broader Midwest Region – should the Line 5 Pipeline be shutdown prior to replacement. The report notes:

> The northern Midwest does not have crude oil or product supply flexibility like areas on the Gulf Coast or New York Harbor. Following any large, extended supply disruption in that part of the upper Midwest, petroleum product marketers act quickly to bid away existing supplies, and with supply falling short of demand, prices would typically increase substantially. In turn, a disruption in supply causing a spike in cost would help to attract product from more distant areas, which would ease the initial price surge, but infrastructure limitations challenge the ability to deliver distant supplies into this part of the country.[5]

The analysis also states:

> Michigan is part of a large petroleum product network that extends outside of the state, but much of that network runs at capacity normally. The product supply loss from refinery reductions during an extended Line 5 shutdown would likely be large. Marketers would be scrambling to line up what additional supplies they could find in places like Chicago, but much supply would have to be delivered from distant sources by truck – a costly supply solution. …Expensive sources of marginal supply and concerns over the availability of volumes to replace losses combine to increase pressure on product prices.[6]

These impacts would not be limited to fuel for motor vehicles. Jet fuel would also be impacted as large airports typically have pipelines carrying the fuel to their facilities. Airports are large jet fuel consumers, and truck deliveries to these facilities are impractical. Per the study:

> Fuel inventories held in tanks at airports provide a cushion between demand changes and pipeline flows and would not be very large. Chicago Midway International Airport (MDW) and Detroit Metropolitan Wayne County Airport (DTW) likely get fuel supplies from some or all of the refineries in the Lima-Detroit corridor that use Line 5 crude oil. If faced with a large reduction of jet fuel supply in the event of a supply disruption, airlines may be faced with redirecting flights.[7]

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[5] *See* Michigan Tech University's Independent Risk Analysis for the Straits Pipelines (Appendix GI2: Short-term Impacts on Petroleum Supply from a Line 5 Disruption) p. A-116: https://mipetroleumpipelines.org/document/independent-risk-analysis-straits-pipelines-appendices

[6] *Id* A-130

[7] *Id* A-132

Simply put, a disruption of Line 5 Pipeline would impact regional refineries and set off a cascade of events that would result in a shortage of gasoline, diesel, and jet fuels. Near-term rail or trucking alternatives to address the shortages described in the Michigan study would be very limited and inferior to Line 5, and long-term pipeline alternatives and none of these options are feasible.[8]

IV. THE LINE 5 TUNNEL PROJECT IS THE SAFEST AND MOST ENVIRONMENTALLY BENEFICIAL ALTERNATIVE

The Line 5 Tunnel Project is safer and more environmentally beneficial than any non-pipeline alternatives. Without Line 5 Pipeline in operation, it would take over 2,000 trucks one way per day to replace the volume of crude that moves through the Line 5 Pipeline.[9] Increased trucking delivery plays a role in most petroleum supply disruptions, but trucking has its limitations. Truck drivers must be trained for hazardous materials transport, and surplus truck drivers and trucks are not generally available in the current constrained supply chain.

The rail network is currently experiencing historic service disruptions making it unreliable. Rail service has been so disrupted that the Surface Transportation Board – the economic regulator of freight rail – held a two-day hearing in April 2022, to discuss the current rail service issues and potential solutions. In response to this hearing Class I railroads were required to submit service improvement plans and submit data on rail network efficiency. Data collected so far demonstrates that rail service issues are not improving appreciably. On May 23, 2022, a bipartisan group of 21 senators sent a letter to Surface Transportation Board regarding their concern over current rail logistic issues.[10]

In short, with rail and trucking unable to fill the gap if the Line 5 Pipeline is shut down, the only feasible option is the continued operation of Line 5 Pipeline until the Line 5 Tunnel Project can replace capacity. The Corps must consider the economic importance of the continued operation of Line 5 Pipeline as well as the environmental impacts of the Line 5 Tunnel Project.

Enhanced protection of Michigan's natural resources is one reason the Michigan House of Representatives recently passed House Resolution No. 282, which reaffirms support for the Line 5 Tunnel Project. Among other facts, the resolution notes:

> Whereas the Great Lakes Tunnel Project is an environmentally wise option for the state. The tunnel will mitigate the risk of an oil spill in the Great Lakes and will improve the ability to safely and efficiently transmit energy resources across the state.[11]

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[8] *See* "The impact of a Line 5 shutdown" FS_Without_Line5_econ_impact.pdf (enbridge.com).
[9] *See* "Line 5 and the Great Lakes Tunnel: Fact vs. fiction" https://www.enbridge.com/projects-and-infrastructure/public-awareness/line-5-fact-vs-fiction
[10] *See* bi-partisan letter to the Chairman of the Surface Transportation Board on Rail Service Issues, May 23, 2022 https://www.manchin.senate.gov/imo/media/doc/surface_transportation_board_freight_letter.pdf?cb
[11] *See* "House Resolution No. 282 https://www.legislature.mi.gov/documents/2019-2020/resolutionadopted/House/pdf/2020-HAR-0282.pdf

A member of Michigan Pipeline Safety Advisory Board, Jeffery Pillon, reiterated many of the above concerns regarding alternatives to the pipeline tunnel project in an August 2018 letter to then Governor Rich Snyder. Specifically, Pillon noted that:

> Based on his research the extensive research and studies that have been done over the last few years, I generally concur with the studies that the only viable alternative to the existing pipeline crossing the Straits of Mackinac is the construction of a tunnel for a new pipeline.[12]
>
> Regarding the feasibility and cost benefit of alternatives Jeffery Pillion noted.
>
> Virtually all of the other alternatives that were examined were both more costly and did not reduce the risk to the degree that a tunnel would do so. In some instances, while the environmental risk were reduced for the Straits of Mackinac, other new risks would be created elsewhere.[13]

AFPM urges the Corps to ensure that its EIS recognizes the economic and environmental costs and benefits of the potential alternatives considered. It should also be noted that the state of Michigan is seeking to shutdown Line 5 and that Michigan's own concerns about the existing Line 5 supposedly being unsafe render the Line 5 tunnel replacement an environmental improvement compared to no action. As previous studies and experts have noted, there are no feasible and prudent alternatives that are superior for transporting the volume of crude that moves through the Line 5 Pipeline to regional refineries. While the EIS is likely to validate this, we look forward to the Corps' analysis and note that the Line 5 Tunnel Project will take what is already a minimal environmental risk down to near zero, while simultaneously securing critical regional fuel supplies.

V. EXISITING PIPELINE CONSTRUCTION, OPERATION, AND MAINTENANCE REGULATIONS PROTECT THE ENVIRONMENT

Pipeline transportation is the safest and best way to transport large volumes of oil, natural gas, and other hazardous liquids over large distances and reduce the risk of spills and releases. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA") develops, proposes, and implements policies and regulations governing the safe operation and construction of the nation's hazardous liquid and natural gas pipeline transportation system. In addition to PHMSA regulations, the Environmental Protection Agency, the Corps, and other regulatory agencies implement construction, operation, and maintenance regulations on the U.S. pipeline network. These regulations ensure that the U.S.

[12] *See* "Michigan Pipeline Safety Advisory Board Final Report" p. 34, submitted December 20, 2018, https://mipetroleumpipelines.org/files/document/pdf/PSAB-finalreport_12-20-2018.pdf
[13] *Id* p. 138

pipeline network, consisting of over 2.6 million miles of natural gas and hazardous liquid transportation pipelines, is one of the safest in the world.[14]

Line 5 has been a vital piece of U.S. energy infrastructure since 1953, not just for Michigan, but for the entire U.S. Midwest and points beyond. While Line 5 has operated safely since 1953, construction of a new pipeline placed in a tunnel provides opportunities to enhance the already safe operations of Line 5. While the current Line 5 pipeline operates under strict safety standards, the development of a new pipeline replacement affords an opportunity to use the newest technologies and to utilize advancements in construction processes to improve the level of safety and further minimize the risks of a release.

The new pipeline will be lined with thick, reinforced concrete in a tunnel, 100 feet below the lakebed—this would protect the aquatic environment and reduce the likelihood of environmental impact to near zero. The tunnel would eliminate the possibility of an anchor strike, which has been a chief concern of regulatory agencies, and will also provide improved access for ongoing inspection and maintenance work.[15]

VI. CONCLUSION

AFPM thanks the Corps for its time and consideration of our comments. The continued safe operation of the Line 5 pipeline is essential for our members and the country. AFPM members depend on this pipeline to support their operations and provide consumers with the fuels needed to make modern life possible and drive the U.S. economy. The Line 5 Tunnel Project will provide a safe and environmentally responsible means to supply fuel to consumers. We urge the Corps to complete this EIS in a timely manner and consider the factors we have laid out in these comments. We appreciate the considerations of these comments. Please contact me at (202) 457-0480 or rbenedict@afpm.org if you wish to discuss these issues further

Sincerely,

Rob Benedict,
Vice President, Petrochemicals & Midstream
American Fuel & Petrochemical Manufacturers

[14] *See* https://www.phmsa.dot.gov/faqs/general-pipeline-faqs

[15] *See* "Evaluation of the Anchor Strike Risk Reduction System for the Line 5 Crossing of the Mackinac Straits" September 2020, https://www.enbridge.com/-/media/Enb/Documents/Projects/line5/C-FER-Updated-Evaluation_20200930.pdf?rev=989d01efe7444191adbaff8e26e613e1&hash=D76D30F468EC04202831F6A316BD74BF